

ABOUT THIS REPORT

The intent of this document is to provide residents, the City Council and other interested parties with a document that is simpler and more concise than our independently-audited Comprehensive Annual Financial Report (CAFR). This report, as well as the CAFR can be found at www.draper.ut.us/Finance.

OUR COMMUNITY



Nestled in the southwest corner of the Wasatch Front mountain range, Draper City is a community of more than 47,000 residents bridging two metropolitan areas – the Salt Lake City metropolitan area and the Provo-Orem metropolitan area.

Draper was first settled in 1849 and remained a small farming community until the late 1990's when its population began growing exponentially. Known as the 'egg basket' of America in the 1940's, Draper continues to value its agricultural and farming heritage while embracing a vibrant urban lifestyle.

Incorporated in 1978, Draper City includes over 30 square miles and is now the 16th largest city in the state of Utah. With over 4,000 acres of open space in the City, this community has become nationally renowned for its dedication to outdoor recreation.



GENERAL FUND EMPLOYEES / 1,000 RESIDENTS RATIO

Cities with Siimilar Services Including in-house Fire and Police



Source: US Census Bureau & respective city public reports. Library & literacy employees removed from Lehi to reflect a better comparison; likewise, the heritage center was removed from Murray.

ELECTED OFFICIALS AS OF DEC 2018

Mayor	Troy Walker
Council Member	Mike Green
Council Member	Tasha Lowery
Council Member	Allan Summerhays
Council Member	Marsha Vawdrey
Council Member	Michele Weeks

CITY OF DRAPER, UTAH

POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING - JUNE 30, 2018



TABLE OF CONTENTS

- Page 1: General Information
- Page 3: All Funds (Government-Wide) Financials
- Page 4: General Fund Financials (Tax Supported)
- Page 6: Business-Type Funds Financials (Fee Supported)
- Page 7: Performance Statistics

DEMOGRAPHIC INFORMATION

Fiscal Year	2017	2018
Population	47,328	47,710
Per Capita Income	\$36,199	\$36,428
Residents 18 Years and Older	31,568	31,823
Median Home Value	\$432,800	\$452,600
Mean AGI (USTC)	\$103,183	\$100,911
City Employees (Full-time equivalent)	198	263
Unemployment Rate	3.1	3.1

TOP 5 PRINCIPLE EMPLOYERS

Employer	# of Employees
Utah State Prison	1,000-1,999
Ebay	1,000-1,999
1-800 Contacts	500-999
EMC Dell Corporation	500-999
Coca-Cola	500-999

DRAPER'S FORM OF GOVERNMENT

Draper City operates under the council-manager form of municipal government. The City Council is the legislative branch of the city government and is composed of the mayor and five council members. The term for each of these elected offices is four years. The City Council is responsible for passing ordinances, adopting the budget, appointing the city manager and other city officials required through state or local policy to be appointed by council. They are also responsible for appointing committees.

The city manager serves as the chief administrative officer responsible for directing the day-to-day operations of city affairs, and the implementation of City Council ordinances and policies. As the City Council's chief advisor, the city manager prepares a recommended budget for the Council's consideration and recruits, hires and supervises city staff.

WHAT IS THE GENERAL FUND?

The General Fund is the primary operating fund of the city and it accounts for the resources that are used to pay for the services traditionally associated with local government.

Draper City's funding comes from two major sources: taxes and fees. The majority of services provided by the city are financed through tax revenue.

Five categories of fees collected are taxes, licenses & permits, charges for services, fines, and miscellaneous revenues.

FUNDS ADMINISTERED BY THE CITY

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the City's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

Tax Supported Funds

(Governmental):

- General (Chief Operating Fund)
- Municipal Building Authority
- Capital Improvement Projects
- Fire Impact Fee
- Transportation Impact Fee
- Park Impact Fee
- Police Impact Fee
- Redevelopment Agency
- Traverse Ridge Special Service District
- Cemetery permanent fund

Fee Supported Funds

(Business Type):

- Water
- Storm Water
- Solid Waste
- Ambulance

MISSION STATEMENT AND VALUES



Independent Audit

An independent audit of the city's finances was conducted by Hanson, Bradshaw, Malmrose and Erickson, P.C., and a clean opinion statement was issued. Complete financial information including the city's Comprehensive Annual Financial Report (CAFR) can be found at www.draper.ut.us/finance.

GOVERNMENT WIDE HIGHLIGHTS

The assets of the City exceeded the liabilities of the City at the close of FY18 by \$528,636,276 (net position). Of this amount, \$68,084,617 is in unrestricted net position which is available to meet ongoing obligations.

In FY18 City-wide revenues exceeded City-wide expenses by \$9,037,603.

Of this amount, \$4,452,615 is from governmental activities. Significant changes include a \$3,862,703 increase in capital grants revenue, a \$1,176,480 increase to sales tax revenue and a \$797,817 revenue increase from developmental activities.

Net position for the business-type activities improved by \$4,584,988. Significant changes in include new revenue from ambulance services, a \$318,653 transfer from the general fund for the ambulance program and decreases of expenses in both the Storm and Water funds.

The outstanding bonds at year-end decreased by \$8,411,143 after scheduled bond payments and refunding one bond, leaving total bonds payable at \$30,542,774. The city also had outstanding notes payable of \$11,510,027.

BREAKING DOWN NET POSITION

The largest portion of the City's net position (84%) reflects its investment in capital assets less any related outstanding debt. Capital assets are used to provide services to citizens; and as such, they are not available for future spending.

Unrestricted net position may be used to meet the City's ongoing obligations to residents and creditors.

Restricted net position represents mainly cash that is legally restricted for use on a specific purpose such as impact fees or taxes collected for B&C roads (gas tax).

TOTAL PRIMARY GOVERNMENT NET POSITION

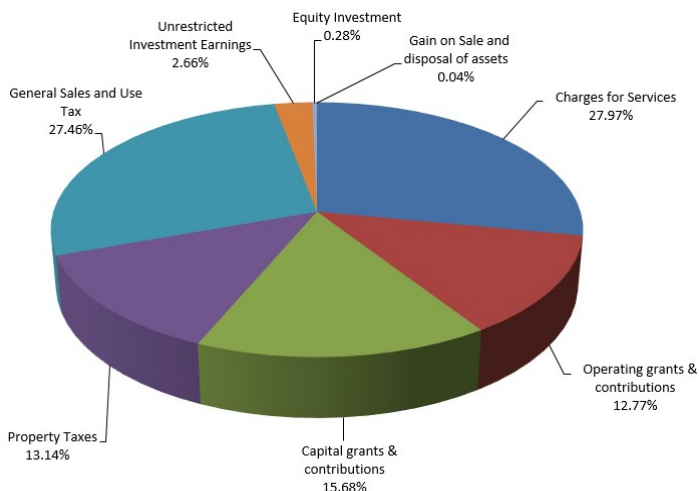


NET POSITION:

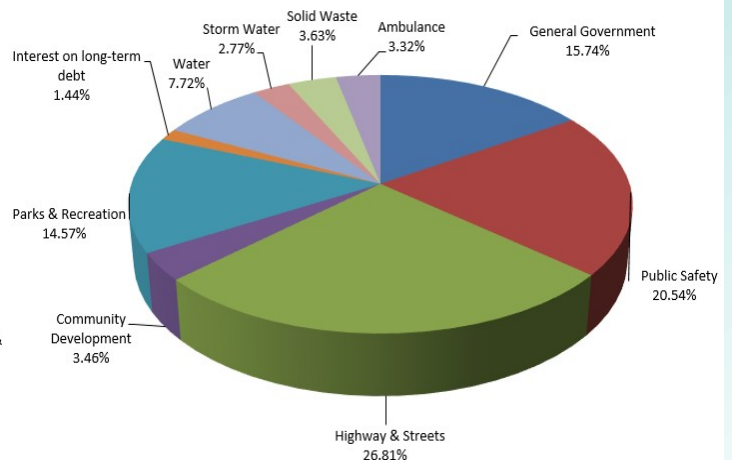
Represents all of Draper's assets and liabilities, with the difference between the two reported as net position. An increase or decrease over time may be used as an indicator of whether the financial condition of the City is improving or declining.



Total Government-Wide Revenues - FY2018



Total Government-Wide Expenditures - FY2018



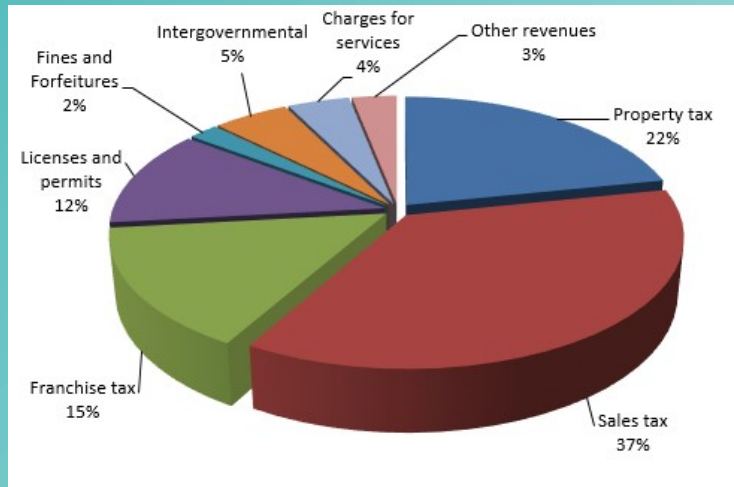
GENERAL FUND HIGHLIGHTS:

General Fund revenues before any transfers or sale of asset revenue was \$35,506,821. This is an increase of \$45,594 (or .13%) over the prior year. This increase is minimal because FY17 included a large, one-time property tax revenue recapture. Revenues from taxes continued to be the largest source of revenue which accounted for \$26,009,274 or 73.25%. Overall, tax revenues increased by \$865,413.

Expenditures in the General Fund were \$33,492,894 before transfers or bond payments. All departments within the general fund came in under budget. The excess between these revenues and expenditures was \$2,013,927. The net change for all transfers, bond payments and sale of capital assets was (\$13,232,771) resulting in a net change in fund balance of (\$11,218,844). It is important to note that \$9,981,040 in transfers were for one-time capital projects and \$5,630,205 was for a one-time bond payoff.

REVENUES BY SOURCE

	FY17	FY18
Property tax	\$8,040,395	\$7,729,328
Sales tax	11,774,335	12,946,117
Franchise tax	5,329,131	5,333,829
Licenses and permits	3,483,912	4,281,729
Fines and forfeitures	842,952	734,373
Intergovernmental	1,979,387	1,860,088
Charges for services	1,960,286	1,526,418
Other revenues	2,050,829	1,094,939
Total	\$35,461,227	\$35,506,821

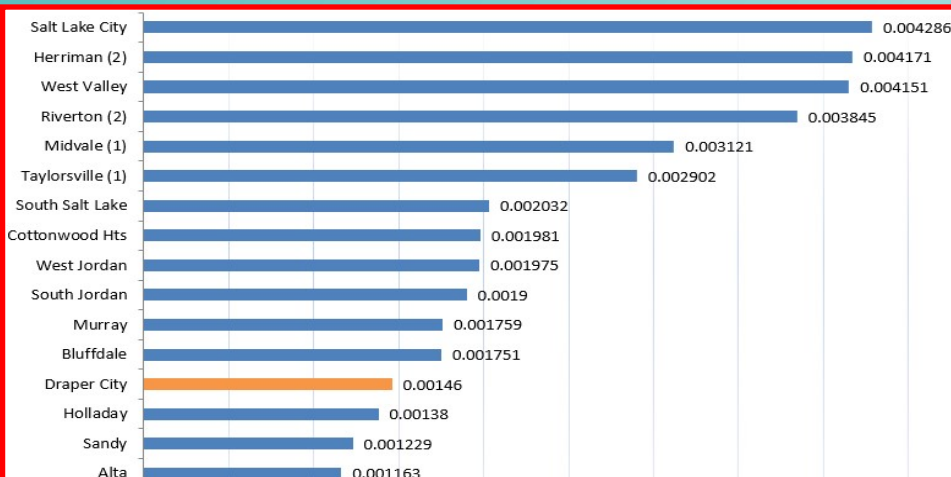


REVENUE SUMMARY:

- ◆ The general fund unassigned fund balance is 23% of estimated non-restricted general fund revenue.
- ◆ Sales tax revenues were the largest tax revenue contributor in 2018, and increased by \$1,171,782 (or 10%) as compared to 2017.
- ◆ Fines and forfeitures decreased by \$108,579 which is due to less I-15 construction within Draper when compared with FY17.
- ◆ Building permits fees increased \$700,400 or 37.8% over last year.
- ◆ Planning fees increased \$137,167.
- ◆ B&C Road fund allocation decreased by \$70,944
- ◆ Charges for services decreased by \$433,868. This was due to a change in how administrative fees (overhead) were collected from the business-type funds.

PROPERTY TAX RATES FOR 2017

The following tax rate provided funding for the services provided during fiscal Year 2017 -2018. The rates for Draper have dropped over the last several years as home values have increased. Historically, increases to property taxes collected is a result of new growth in both residential and commercial as property tax rates have not increased by means of a "truth in taxation" since 2007.

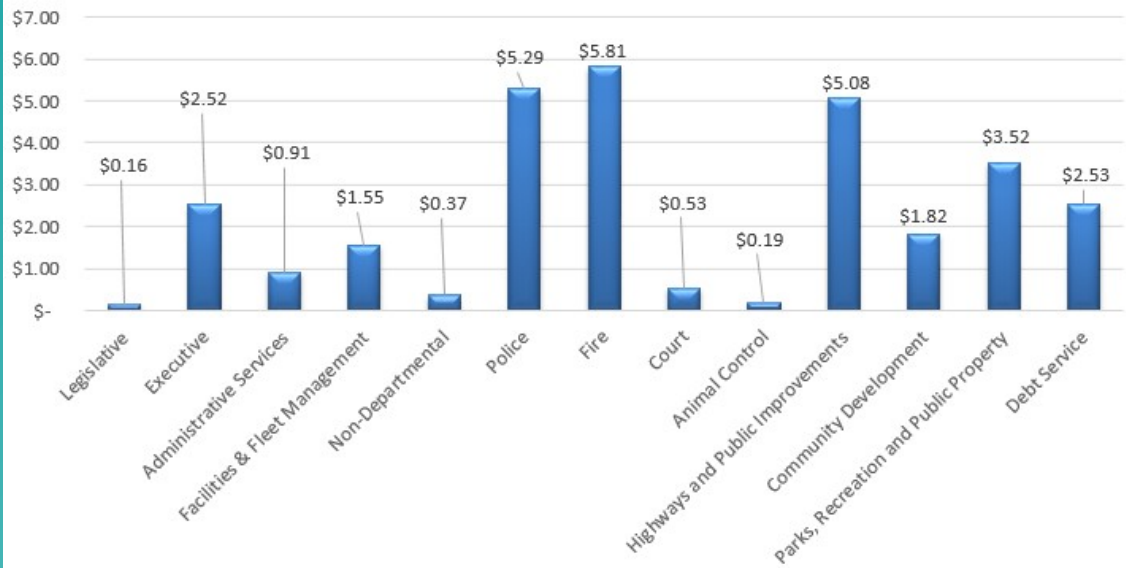


(1) Includes tax paid to fire district.

(2) Includes tax paid to police and fire districts.

2017 Median owner-occupied home value was \$452,700. Calculation Notes: $\$452,700 * .55$ (Taxable Value) $* .001460$ (2017 Draper tax rate) = $\$363 / 12$ * % of total expenditures. Source: Salt Lake County

Monthly Property Taxes for 2017 Median Owner Occupied Home by FY18 Service Provided

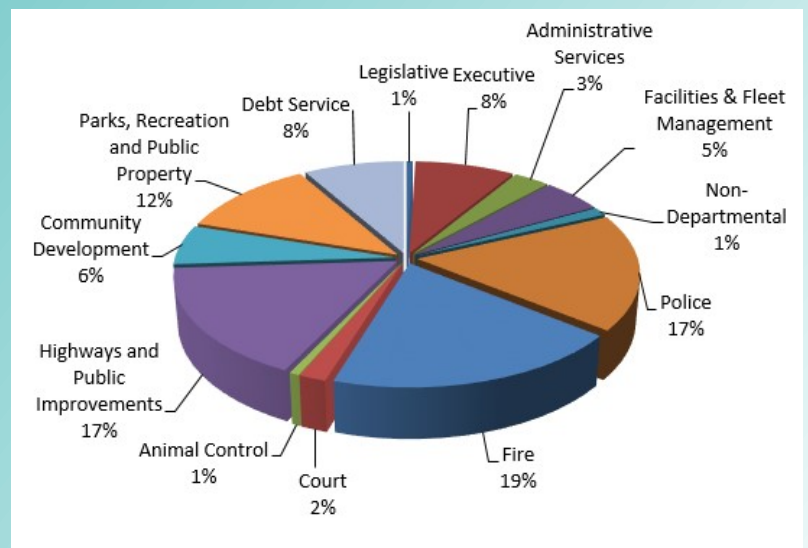


EXPENDITURE SUMMARY:

- General fund expenditures increased from \$32,106,798 in FY2017 to \$33,492,984 in FY2018 which represents a 4.3% increase or \$2,284,586.
- Police increased \$339,568 in order to add more full-time sworn officers and improve the retention programs of existing officers.
- Highway and public improvements expenditures increased \$903,873 from the prior year. The City continues to prioritize the repair and maintenance of its roadway system.
- Expenditures in parks and recreation increased \$444,293 to add additional staff to maintain our parks and to retrofit a new storage building. The City also added about 12 miles of new trails.
- All City departments came in under budget in FY18.

EXPENDITURES BY FUNCTION

	FY17	FY18
Legislative	\$261,738	\$175,810
Executive	2,824,503	2,783,738
Administrative Services	1,046,730	1,005,954
Facilities & Fleet Management	1,862,799	1,716,427
Non-Departmental	409,075	409,651
Police	5,513,556	5,853,124
Fire	6,305,043	6,424,268
Court	538,365	590,943
Animal Control	221,597	209,836
Highways and Public Improvements	4,709,447	5,613,320
Community Development	1,902,542	2,011,041
Parks, Recreation and Public Property	3,452,201	3,896,494
Debt Service	3,059,202	2,802,288
Total	\$32,106,798	\$33,492,894



Operating Revenues by Service

	FY17	FY18
Water Sales	\$5,015,503	\$4,936,230
Storm Water Utility	2,719,950	3,141,116
Sanitation Sales	2,452,365	2,503,560
Water Connection Fees	30,260	53,410
Miscellaneous income	77,129	77,653
Ambulance Services	0	1,319,889
Total	\$10,295,207	\$12,031,858

Storm Water Fund – Revenues from storm water utility increased \$421,983 (or 15%) as compared to the previous fiscal year 2017. Operating expenses decreased \$139,842 from \$1,732,415 in FY2017 to \$1,592,573 in FY2018. The storm water fund recognized an operating income of \$1,581,478 before non-operating revenues/expenses and before capital contributions. After capital contributions of \$1,090,611 and other non-operating revenue of \$138,831, the storm sewer fund had a positive change in net position of \$2,810,920. The fund purchased a residential home for \$571,000 with the intent to re-sell and is reported below as “supplies and repairs.” Salaries and wages decreased by \$244,702 due to a change in how the engineering department’s wages were allocated.

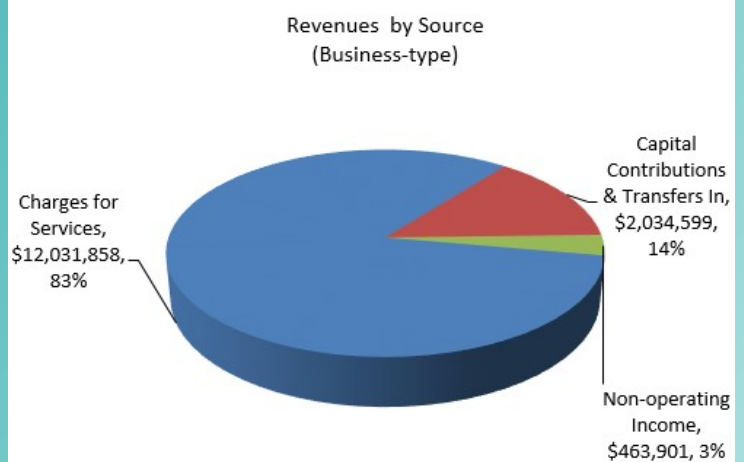
Operating Expenses by Service

	FY17	FY 18
Salaries and Wages	\$1,914,506	\$2,383,273
Utilities	363,151	349,629
Water Charges	1,937,700	1,944,518
Landfill and Sanitation Fees	262,791	336,714
Claims and Insurance	192,555	184,493
Supplies and Repairs	783,314	1,337,956
Administration	909,595	1,624,845
Depreciation	1,975,966	1,783,942
Total	\$8,339,578	\$9,945,370

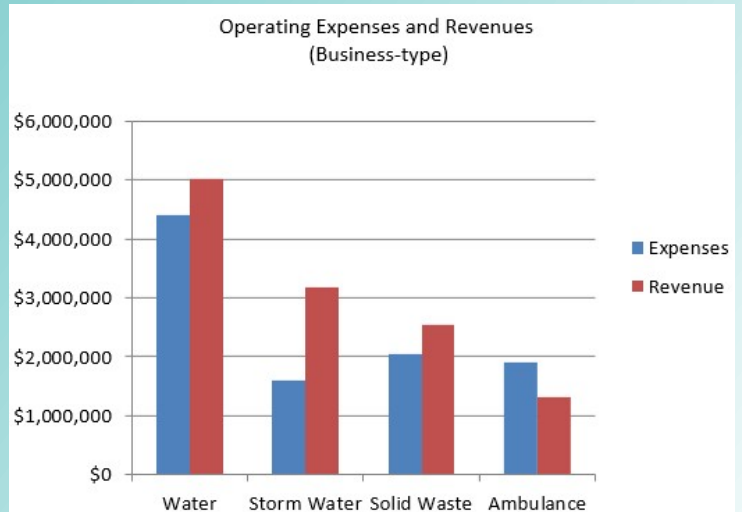
Solid Waste Fund – Revenues from solid waste utility fees increased \$50,645 as compared to the previous fiscal year 2017. Operating expenses showed an increase of \$247,669 from \$1,789,965 in FY2017 to \$2,037,634 in FY2018. The solid waste fund recognized operating income of \$493,643 before non-operating revenues/expenses and before capital contributions. After non-operating revenues (expenses) of \$205,804 the solid waste fund had a positive change in net position of \$699,447. The City began providing collection services in December 2009 in an effort to contain costs. These services were previously contracted to an outside provider.

Water Fund – Operating revenues from water activities decreased \$55,866 as compared to the previous fiscal year 2017. Operating expenses showed an decrease of \$178,725 from \$4,581,974 in FY2017 to \$4,403,249 in FY2018. The water fund recognized \$603,392 operating income before non-operating revenues/expenses and before capital contributions/transfers. The water fund posted a positive change in net position of \$980,428.

Salaries and wages decreased by \$279,430 due to a change in how the engineering department’s wages were allocated.



Ambulance Fund – Revenues from charges for services was \$1,319,889. Operating expenses were \$1,911,914 in FY2018. The ambulance fund recognized a loss in operating income of \$592,025 before non-operating revenues/expenses and before capital contributions. The loss for the prior year was \$235,224. After non-operating revenues (expenses) of \$22,583 and transfers in of \$663,635, the ambulance fund had a positive change in net position of \$94,193. The City began providing ambulance services in July 2017. It is anticipated that the general fund will need to continue to make annual transfers in order to support this service.



PERFORMANCE MEASURES AND STATISTICS

Fiscal Year	FY16	FY17	FY18
Police			
Calls for service – through dispatch	23,840	25,687	25,011
Calls for service - officer initiated	4,471	6,450	5,461
Citations written	4,284	6,424	4,395
Calls for service – Records	14,200	15,782	15,339
Fire			
Medical Calls	N/A	N/A	2,890
Fire Calls	N/A	N/A	832
Community Development			
Building permits issued	981	1,054	1,337
Streets			
Snow plow hours	4,335	4,241	2,457
Tons of salt	7,316	8,220	4,505
Economic Development			
Business licenses issued	2,286	2,333	1,923
Garbage & Recycling			
Number of customers	10,091	10,119	10,314
Total annual waste in tons	15,664	16,765	17,749
Total annual recycle in tons	2,073	2,084	2,201
Water			
Number of customers	3,967	3,982	4,062
Average daily consumption (gallons)	736	832	809
Parks and Recreation			
Program registrations processed	5,102	4,967	5,017
Recreation participants	6,712	6,519	6,789
Park Reservations processed	N/A	1,949	2,036
Total parks	42	42	44
Trails (in miles)	90	104	116

APPOINTED POSITION	NAME
CITY MANAGER	DAVID DOBBINS
ASSISTANT CITY MANAGER	RUSSELL FOX
CITY ATTORNEY	MICHAEL BARKER
CITY RECORDER	RACHELLE CONNER
CITY TREASURER	LOURDES RAMOS
COMMUNITY DEVELOPMENT DIRECTOR	CHRISTINA OLIVER
FINANCE DIRECTOR	ROBERT WYLIE
FIRE CHIEF	CLINT SMITH
HUMAN RESOURCES DIRECTOR	HAZEL DUNSMORE
JUSTICE COURT JUDGE	DANIEL BERTCH
PARK & RECREATION DIRECTOR	RHETT OGDEN
POLICE CHIEF	JOHN EINING
PUBLIC WORKS DIRECTOR/CITY ENGINEER	SCOTT COOLEY

2018

ACCOMPLISHMENTS

(PARTIAL LIST)

Legislative Department:

- ◆ Passed an ordinance to conserve open space.

Executive Department:

- ◆ Processes nearly 6,000 passports per year.
- ◆ Amended several sections of municipal code including procurement.
- ◆ Completed GIS system architecture design

Police Department:

- ◆ Conducted 40 neighborhood watch activities
- ◆ Assembled a team to develop a new school safety program.
- ◆ Restricted the department; creating movement for officers.

- ◆ Enrolled 10 businesses into the business watch program.

Fire Department:

- ◆ Deployed engines and crews to California wild-fires in Oct and Dec 2017.

- ◆ Completed a seamless transition from Unified Fire Authority and began providing fire and emergency services to the City on July 1, 2017.

Public Work Dept.—Engineering Division:

- ◆ 13800 South; Bangerter to 300 East widening
- ◆ 13200 widening to Highland Drive
- ◆ Pioneer Rd. & 700 E. widening
- ◆ Suncrest Dr. reconstruction
- ◆ Lone Peak Parkway Extension

Public Works Dept.—Street Division:

- ◆ 622 street signs repaired or replaced
- ◆ 499 tones of asphalt road repairs
- ◆ 6,480 pounds of crack seal installed

Community Development Department:

- ◆ Improved to 60% paperless
- ◆ Started accepting online building permit applications.

Parks & Rec. Department: Recreation Division:

- ◆ #1 program as presented by the Utah Jazz for the largest (most participants) youth Jr. Jazz basketball for Draper's class of City.

Parks & Rec. Department: Trails Division:

- ◆ Added 12 new miles of trail including: Telegraph Foot Path, Gasline Foot Path, Hoof n' Boot Extension, Coyote Hollow Foot Path, Casper Foot Path, Peak View Trail, Pork-U-Pine Trail, Three Falls Trail, Two Hollows Trail, Woods Hollow Trail, and Levitate Bike Trail.

PERFORMANCE STATISTICS

We want to hear from you.

Do you like this report? Would you like to see more information? Please let us know by contacting Jared Zacharias by email at jared.zacharias@draper.ut.us. For more information on our services, visit our website at www.draper.ut.us.



DRAPER CITY
1020 EAST PIONEER RD.
DRAPER, UT 84020

MAIN: (801)576-6500
WWW.DRAPER.UT.US

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